

DISSOLUTION OF DISTRICTS

§293.131. Authorization for Dissolution of Water District by the Commission.

(a) Chapters 36 and 49, subchapters I and K, being the Texas Water Code §§36.301-36.307 and 49.321-49.327 authorize the commission to dissolve any district as defined in Water Code §49.001(1) which is inactive for a period of three consecutive years for a groundwater conservation district or five consecutive years for other water districts and has no outstanding bonded indebtedness. A groundwater conservation district that is composed of territory entirely within one county may be dissolved even if it has outstanding indebtedness that matures after the year in which the district is dissolved.

(b) Proceedings for the dissolution of a district may be initiated by the executive director upon his own initiative or upon the receipt of an application filed with the executive director by the owners of land or interests in land within the district which is sought to be dissolved, a member or members of the board of directors of the district, or any other party who can demonstrate an interest in having the district dissolved.

(c) The application must include a petition on the part of the party requesting dissolution including a statement of the reasons that a dissolution is desirable or necessary, and contain a statement that the district has been financially dormant for the preceding three-year period for a groundwater conservation district or the preceding five-year period for other water districts and has performed no functions for the five previous preceding years and has no outstanding bonded indebtedness. A groundwater conservation district that is composed of territory entirely within one county may be dissolved even if it has outstanding indebtedness that matures after the year in which the district is dissolved.

(d) If the petition is submitted by a landowner, a director of the district, or other interested party, the application must contain certified copies of dormancy affidavits submitted pursuant to Water Code §49.197, for three years for a groundwater conservation district or five years for other water districts preceding the year in which the application is submitted.

(e) Evidence that the district has no outstanding bonded indebtedness may be filed as prepared testimony with the application and may consist of statements or testimony from the district's attorney, engineer, or officer and shall include an affidavit of the state comptroller of public accounts certifying that the district has never registered any bonds with the comptroller.

(f) Applications shall include a list of assets and liabilities of the district.

(g) The executive director may initiate procedures to dissolve a district without financial dormancy affidavits on file if:

(1) The district has failed to comply with the reporting requirements of this chapter for the previous five year period;

(2) attempts to contact directors, interested parties or anyone with knowledge of district's financial activity have failed; and,

(3) the state comptroller of public accounts has submitted a certificate certifying that the district has never registered any bonds with the comptroller.

Adopted September 30, 1996

Effective October 22, 1996

§293.132. Notice of Hearing.

A notice of the hearing upon the proposed dissolution of a district will be given by the chief clerk and will describe the reasons for the proceeding, as required by Water Code, §36.302 for groundwater conservation districts and §49.322 for other water districts. The notice will be published once each week for two consecutive weeks before the day of hearing in a newspaper having general circulation in the county or counties in which the district is located. The first publication will be 30 days before the day of the hearing. Notice of the hearing will be given by the chief clerk by first class mail addressed to the directors of the district according to the last record on file with the executive director.

Adopted September 30, 1996

Effective October 22, 1996

§293.133. Investigation by the Staff of the Commission.

The executive director will examine the application and the facts and circumstances contained therein and prepare a written report which will be filed with the commission two weeks prior to the hearing as prepared testimony. A copy of the written report will be mailed to any landowner, director or other interested party who has filed an application for dissolution of the district or has requested notice of the hearing or otherwise indicated an interest in the proceeding.

§293.134. Order of Dissolution.

Following the hearing, the commission will enter an appropriate order that the district be dissolved or that the district not be dissolved if it finds that the district has performed none of the functions for which it was created for a period of five consecutive years before the day of the proceeding and the district has no outstanding bonded indebtedness. If the district is ordered dissolved, the order shall contain a provision that the assets of the district shall escheat to the State of Texas and shall be administered by the state treasurer and disposed of in the manner provided by Property Code, Chapter 74.

Adopted September 30, 1996

Effective October 22, 1996

§293.135. Certified Copy of Order to be Filed in the Deed Records.

The commission shall cause to be filed a certified copy of the order of dissolution of the district in the deed records of the county or counties in which the district is located. If the district was created

by a special act of the legislature, the commission shall cause to be filed a certified copy of the order of dissolution with the secretary of state of the State of Texas.

§293.136. Filing Fee.

The fee for filing an application for the dissolution of a water district is \$100 plus the cost of required notice.